IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO 939 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO 1236 OF 2007

In the matter of Companies Act, 1956;
And
In the matter of Sections 100 to 105 of the Companies Act, 1956.
And
In the matter of Reduction of Share Capital of Fiat India Private Limited

Fiat India Private Limited..Petitioner

CORAM: A.M KHANWILKAR.J
DATE: 20th DECEMBER 2007

Hemant Sethi i/b Hemant Sethi & Co. advocates for the Petitioner

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1. This is a petition for seeking Courts approval for reduction of the Share Capital as approved by the Shareholders in their meeting held on 23rd October 2007.
2. The reason for reduction of Share capital is stated in paragraph 10 of the petition and it is averred that the Petitioner Company is a part of Fiat Group in India and is engaged in car business and trading in spare parts. That in the year 2006-07 the Company moved its manufacturing facility to Ranjangaon under a supply contract arrangement to another Fiat group entity namely Fiat India Automobiles Private Limited due to business and commercial feasibilities. Post such arrangement, the manufacturing equipments at Kurla were shifted to Ranjangaon where Fiat India Automobiles Private Limited is carrying out the manufacturing for the Company. It is further stated that the Petitioner Company has disposed of the Land and Building at Kurla which is no longer required for the manufacturing activities of Fiat India Private Limited. In light of the current business operations, the Board of Directors of the Petitioner Company are of the opinion that the proceeds received from the sale of land & building are in surplus to the needs of the business. Thus, the Company intends to pay off the

surplus funds aggregating to Rs. 4,479,284,070 to its equity shareholders by reducing the paid up equity share capital from Rs.8,294,970,500 consisting of 82,949,705 equity shares of Rs. 100 each to Rs. 3,815,686,430 consisting of 82,949,705 equity shares of Rs 46 paid up per share.

4. In paragraph 15 of the petition it is stated that the proposed utilization of the issued, subscribed and paid up equity capital will in no manner prejudice the Creditors of the Petitioner Company nor does it any way adversely affects the ordinary operations of or the ability of the Petitioner Company to honour its commitments or to pay its debts in the ordinary course of business.

5. The Petitioner has send notices to all the Shareholders along with explanatory statement in compliance with provisions of the Act for convening Extraordinary General meeting for which Special Resolution has been approved unanimously by all the Equity Share holders. Same is annexed at Exhibit-F to the petition. Affidavit of service has been filed proving publication of notices in newspapers.

6. In light of above, Mr Sethi appearing for Petitioner, seeks sanction to the reduction of share capital.

7. Having perused the petition and the annexures thereto, in my view, the petition deserved to be succeed and is accordingly made absolute in terms of prayer clause (a) and (b).

8. All concerned parties to act on ordinary copy of order and the form of minutes annexed to this petition. Petitioner to publish notices in the same newspapers and also in the Maharashtra Government Gazette about registration of Order and minutes of reduction by the concerned Registrar of Companies, Mumbai.

(A.M Khanwilkar J)